Intellectual Property
THREE HOURS

Day Division — Thursday, December 3
Professor Grimmelmann — 9:00 AM

Exam No. _____ Submitted Electronically? Yes ___ No ___

Signature: _____

Print Name: _____

This examination consists of three equally weighted questions. For typed answers, there is a word limit of 1500 words per question. It will be enforced strictly; extra words from one question may not be used on another.

This is an open-book examination. You may use any of the assigned readings for class and any of your own notes or outlines to answer the questions. You may NOT use the Internet during the examination.

Your work on this examination is subject to the Student Honor Code. You may not discuss this examination or your answers with anyone under any circumstances until after the end of the examination period, as some of your classmates may be taking the examination out of sequence. **Your work must be exclusively your own**.

Please pay attention to the specific questions you are being asked to answer and to the roles the questions place you in. Support your answers with detailed analysis, reference to specific statutes and cases as appropriate, and explanations of how you applied the law to the facts. Simple citations (e.g. "Feist.") are appreciated but not required. Basic headers to organize the different parts of your answer are also a good idea. Spelling, grammar, clarity, organization, and good advice to your client are all parts of the grading.

If anything about a question is ambiguous, say what you think it means and answer it accordingly. If you need to assume additional facts, say what those facts are and how they affected your answer. No reasonable resolution of an ambiguity will be penalized.

The problems in this examination are set in the (fictional) American state of Carrollton. You should assume for purposes of the examination that present-day law has been fully in effect at all relevant times, that Carrollton has enacted the Uniform Trade Secrets Act, and that it recognizes a common-law right of publicity. The names in the problems are fictitious. Please disregard any resemblance to actual persons, places, or institutions, living, dead, or nonexistent.

This examination has **FIVE pages total**, including this cover page and the page of Exam4 and handwritten-answer information that follows.

GOOD LUCK!

Exam4 Instructions

Computers *may* be used on this examination:

> Option 2—Open Mode—access to Exam4 and student computer-based notes—no Internet access

If you use a computer on this examination, you must use the Exam4 software provided by the law school. You must provide your own computer and must have downloaded a copy of the most recent version of the Exam4 software to your computer. You should have completed this download, tested the software, and made sure the computer is in working order well before the date of this examination.

At the end of the examination, choose the "Submit Electronically" function on the Exam4 software. The software will request your Exam ID (Examination Number). Put the course name on your answer as instructed in the handout, but do not put your name anywhere on your answer. Submit your answer within the time limits for the examination; no allowance for additional time will be given for equipment failure. After submitting your answer electronically, note on your examination questions that you "Submitted Electronically." The administration will print your Exam4 answers and provide them to me for grading.

Technological Problems: If you experience a technological problem during the examination period, consider the amount of time remaining and decide whether you should continue (or restart) the examination in blue books. No additional time will be provided for technological problems. Responsibility for submitting your answers on time electronically lies entirely with you. The Information Technology (IT) Department will assist in retrieving examination files from your computer, and the Office of Registration & Enrollment will accept an IT-certified copy of an examination file retrieved from your computer as a timely submission, as long as there is no evidence of tampering with either your computer or the examination file.

Handwritten Answer Instructions

If you submit handwritten answers to the examination, both the envelope and your answers should contain your examination number, the course name, and the instructor's name. Do not put your name anywhere on the envelope or on the blue book answers.

Upon completion of the examination, put your answers in the envelope and hand in the envelope to the examination proctor. Be sure to enclose all of your answers in the envelope—you will be graded on only what is inside the envelope. Do not put the examination questions in the envelope. Hand in the questions separately to the examination proctor. You are responsible for ensuring that all of your completed answers and questions are handed in to the examination proctor.

Question 1: Laurels

From 1985 to 2005, the Overleaf company sold Laurel cookies. The Laurel consisted of a marshmallow layer between two circular graham cracker wafers, all of which was then coated in chocolate. (Chocolate, graham cracker, and marshmallow are the three ingredients in s'mores, a traditional picnic and cookout treat, but in s'mores, the chocolate is usually sandwiched between the graham crackers along with the marshmallow.) The chocolate in Laurels had a distinctive texture: it was deposited in long, thin layers, so it crumbled into flakes when bitten into. The top of the cookie was stamped with the word "Laurel" and a pattern reminiscent of a laurel wreath. Overleaf advertised Laurels on radio and television using a short song (the "Laurel Jingle") that played at the end of every commercial: "To the victor go the laurels; won't you have s'more-alls?"

Laurels sold millions of boxes a year through the 1960s and 1970s, and then began a long slow decline. By the early 2000s, sales were only a few thousand boxes a year, which Overleaf considered economically unviable. In 2005, Overleaf closed the factory that made Laurels and stopped selling them.

Overleaf owns the following:

- A utility patent for a "method of coating a multi-part sandwich cookie" (the '503 patent), filed in 1984 and issued in 1986, the essence of which involves carefully controlling the tightness of the machine part holding the pieces of a cookie so that the pieces stay together while they are dipped in chocolate..
- A design patent (the '269 patent), filed in 2004 and issued in 2005, which depicts a circular cookie with the laurel-wreath pattern from the top of the Laurel.
- A copyright registration, with filing date in 1979, for the Laurel Jingle.
- A trademark registration on LAUREL for crackers and cookies, with a filing date in 1960, and renewed in 1970, 1980, 1990, 2000, and 2010.

Your client, Owens Mills, an independent cookie maker, believes that the market would respond well to a revival of the Laurel. Owens food scientists have analyzed the chocolate in a few packets of Laurels that devoted fans have hoarded for the last decade and believe they have replicated the process by which Overleaf gave the original Laurel its flaky chocolate. Owens' revived Laurel consists of a marshmallow layer between two square graham cracker wafers, all of which is then coated in chocolate. The cookie is stamped "Laurel" and bears the laurel-wreath pattern. Owens has run television advertisements, which open with the Laurel Jingle, then features pictures of the cookies while an announcer says, "Remember the Laurel? It's back and better than ever. Enjoy the original Laurel, authentic in every way!"

Overleaf has sent Owens a cease-and-desist letter. You have been asked by Owens to evaluate its options. ***Write a memo to Owens discussing the intellectual property risks it faces. Are there changes it could make that would allow it to continue selling its version of the cookies?***

Question 2: A Wedding at Camp Carrolton

For weeks, speculation has been swirling about a possible wedding between Grace Havre and Ellicott Essex. Havre is a "triple threat": an actress, dancer, and musician whose most recent album, *White Oaks and Silver Springs*, sold 1.5 million copies. Essex is an investor and businessman; among other things he owns a hotel chain and stars in its commercials.

Two weeks ago, Columbia Caton, a freelance photographer, heard a rumor that the wedding would be held at Camp Carrolton, a secluded mountain resort. She asked her friend Calvert, a tinkerer and drone enthusiast, if she could borrow one of his drones "for a project." Caton did not explain further the nature of the project, and Calvert did not inquire. At Caton's request, Calvert attached a high-resolution camera to the drone and showed her how to operate both the drone and the camera remotely. Then she drove to the nearest town and waited.

Five days ago, Caton saw cars arriving at Camp Carrolton and flew the drone over the site at a height of 150 feet, just above the treetops. Using the camera, she was able to determine that the wedding was indeed taking place, and she took numerous photos of the ceremony, the 25 guests, and the backdrop for the wedding: a 100-foot-tall statute of the bride and groom holding hands and gazing into each others' eyes. The statute, built to order at the request of Havre and Essex, was created by the well-known sculptor Bethesda Bowie.

Caton was delighted with the photos. She sold the copyright in them to *The Daily Carroltonian*, Carrolton's largest newspaper. Four days ago, *The Daily Carroltonian* ran three of the photographs on its front page to accompany a story about the wedding: one close-up of Havre and Essex embracing, one medium-range photograph of the statute, and one wide-angle shot of the entire wedding site framed against the backdrop of the nearby mountains. The story went viral; hundreds of websites and news organizations have reported on the wedding, especially the statute, which many bloggers and radio hosts have described as a perfect symbol of the couple's narcissism. Most of these websites have reproduced Caton's photograph of the statute along with their stories. T-shirt vendors have started selling shirts bearing the photograph and the words, "Grace and Ellicott didn't invite me to their wedding, but at least I got this T-shirt."

A spokesman for Havre and Essex has expressed their "disappointment and anger that their private ceremony has been spread before the public in this demeaning and hurtful way" and threatening "severe legal action" against anyone who reproduces the photos further.

You work for an intellectual property firm that is uninvolved, but which sends out a regular newsletter to clients. You have been asked to write an item for the newsletter about the case. **Explain whether Havre and Essex have an intellectual property case against anyone, and under what theories.**

Question 3: TimoLith

Your client is physicist Glen Burnie. In 2010, he was waiting for a friend at a coffee shop when he found himself wondering whether a combination of the elements timonium and lithincum would have useful semiconductive properties. (These properties are what make computers and other electronics work.) He did some rough calculations on a napkin and concluded that if these effects were present at all, it would be at a concentration of somewhere between 1 and 100 parts per million (ppm) of lithincum. When his friend arrived, he showed her the napkin and explained the idea. Then he put the napkin in his pocket and took it home.

Over the course of the next several weeks, Burnie checked his calculations. Encouraged, he met with Perry Hall, the CEO of the Westminster Corporation, a major electronics company with an extensive research lab. Burnie explained his theory that a timonium-lithincum combination in the right proportions would be a good semiconductor, and suggested that TimoLith would be a good name. He proposed orally that Westminster hire him to direct a research effort and give him 50% of the profits from any resulting products. Hall said that he was skeptical, as previous research on timonium had suggested it was unlikely to work as a semiconductor. Burnie replied that no one had tried combining it with more than 1 ppm of lithincum. Hall said, "You're welcome to try out your crazy theory on your own, but we are not interested."

Undeterred, Burnie used a combination of his own savings and funds raised from local investors to create his own semiconductor research company, which he named BurnCo. It started work immediately, and in 2013, found good evidence of semiconductivity at a concentration of 25 ppm of lithincum. The effect dropped off rapidly and was nonexistent at concentrations below 22 or above 28 ppm.

Meanwhile, in 2011, two researchers published a paper on the corrosion-resistance properties of timonium-lithincum combinations in the Carrolton Journal of Materials Science (CJMS). It reported results for lithincum at concentrations of 10, 20, 30, and 40 ppm. It said nothing about semiconductivity.

In 2014, Burnie filed for a patent. Claim 1 read, in relevant part, "a combination of timonium and lithincum at a concentration of lithincum between 22 and 28 ppm". Claim 2 described, in detail, the use of any timonium-lithincum combination (regardless of the concentration of lithincum) as a semiconductor. Burnie has just received his first office action from the USPTO, rejecting the application for lack of patentable subject matter, lack of utility, lack of novelty over the CJMS article, and obviousness.

Meanwhile, Westminster has begun selling a timonium-lithincum semiconductor. It uses a concentration of 27 parts per million of lithincum. Burnie tells you that such products typically take at least five years of intensive development work. In addition, Westminster has filed for a trademark registration on TIMOLITH for semiconductors.

Burnie has come to you for legal advice. **What intellectual property rights, if any, does he have against Westminster, and what rights, if any does it have against him?**